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December 4, 2009

The Honorable Max Baucus
Chairman
Senate Finance Committee
219 Senate Dirksen Office Building
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Finance Committee
219 Senate Dirksen Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

On behalf of the Retail Industry Leaders Association (RILA), thank you for the opportunity to comment on recently introduced duty suspension bills. On behalf of our member companies, RILA is writing in support of the following tariff measures related to artificial flowers currently before the Senate Finance Committee for inclusion in the next miscellaneous tariff bill. They are:

- S. 2082 Floral Sprays; S. 2083 Swags; S. 2084 Wreaths; introduced by Senator Inhofe
- S. 2599 Single-species Bushes; S. 2600 Multi-species Bushes; introduced by Senator Hutchison
- S. 2465 Arrangements; S. 2466 Floral Stems; introduced by Senator Cornyn
- S. 2370 Clips; S. 2371 Picks; S. 2372 Candle Rings; introduced by Senator Voinovich

By way of background, RILA promotes consumer choice and economic freedom through public policy and industry operational excellence. Our members include the largest and fastest growing companies in the retail industry--retailers, product manufacturers, and service suppliers--which together account for more than \$1.5 trillion in annual sales. RILA members provide millions of jobs and operate more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

The above measures cover a variety of artificial flowers imported by a number of RILA members and used by consumers for many purposes. Currently, there are no domestic producers of these artificial flowers, and therefore RILA members must use imported products to meet the demand of their customers.

The Tax Relief and Health Care Act of 2006, Public Law 109-432, provided a three-year duty suspension on all "artificial flowers" of man-made fibers. A broad category of articles including all categories mentioned above, were included in this duty suspension, which is set to expire on December 31, 2009.

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The duty suspension/reduction contained in the above measures is critical to RILA member companies which sell decorative accessories and arts and crafts. These companies have relied on this duty suspension in order to provide competitive pricing for a variety of diverse products. Some of the specific distinct articles that enter the U.S. under this general tariff category are:

- floral stems used in vases, containers, bouquets, corsages and other uses;
- bushes for outdoor decorations, flower beds or grave decorations;
- wreaths for indoor or outdoor use on a door or wall;
- pre-made flowering arrangements used as an interior decoration or given as a gift; and
- picks, candle rings and clips used to decorate larger items, clothing, tables, and candle bases.

Allowing the duty suspensions on these products to lapse at this time would have the effect of raising prices. RILA therefore encourages the Committee to include these measures in the miscellaneous tariff bill. Thank you again for the opportunity to provide comments on this important issue. Should you need any further information concerning this matter, please do not hesitate to contact me by phone at (703) 600-2046 or by email at stephanie.lester@rila.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephanie Lester", followed by a horizontal line.

Stephanie Lester
Vice President, International Trade